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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/802,066	03/08/2001	Dewayne Baker	CCHA-1	5283
5514	7590	04/10/2006	EXAMINER	
FITZPATRICK CELLA HARPER & SCINTO 30 ROCKEFELLER PLAZA NEW YORK, NY 10112			OYEBISI, OJO O	
			ART UNIT	PAPER NUMBER

3628

DATE MAILED: 04/10/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

**Office Action Summary**

Application No.

09/802,066

Applicant(s)

BAKER ET AL.

Examiner

OJO O. OYEBISI

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 01/12/06.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-20 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-20 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: \_\_\_\_\_

### DETAILED ACTION

In the amendment filed on 01/12/06, the following have occurred: claims 1 and 3 have been amended, new claims 12-20 have been added, claims 1-20 are pending in the present application, and claims 1-20 stand rejected in the present office action.

#### ***Claim Rejections - 35 USC § 101***

1. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

2. **Claims 1-20** are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. The rejected claims appear to be directed to computer program.

Software, programming, instructions or code not claimed as encoded on computer-readable media are descriptive material per se and are not statutory because they are not capable of causing functional change in a computer. When such descriptive material is recorded on some computer-readable medium it becomes structurally and functionally interrelated to the medium and will be statutory in most cases.

Furthermore, software, programming, instructions or code not claimed as being computer executable are not statutory because they are not capable of causing functional change in a computer. In contrast, when a claimed computer-readable medium encoded with a computer program defines structural and functional interrelationships between the computer and the program, and the computer is capable of executing the program, allowing the program's functionality to be realized, the program will be statutory.

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Claims 1-20 are therefore rejected where there is no indication that the proposed software is recorded on computer-readable medium and/or capable of execution by a computer. Examiner suggests that the applicant incorporate into Claims 1-20 language that the proposed software is recorded on computer-readable medium and capable of execution by a computer to overcome this rejection.

***Claim Rejections - 35 USC § 103***

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. **Claims 1-20** are rejected under 35 U.S.C. 103(a) as being unpatentable over

CHECK ADJUSTMENT REQUEST FEDERAL RESERVE BANK (Paper Adj hereinafter:

[http://www.richmondfed.org/financial\\_services/check/adjustments/pdf/request\\_form.pdf](http://www.richmondfed.org/financial_services/check/adjustments/pdf/request_form.pdf))

in view of Electronic Check Adjustments Federal Reserve Bank (Electronic Adj

hereinafter: <http://www.stlouisfed.com/publications/pq/1998/a/pq1998a5.html>), and

further in view of Network World ( Framingham: June 19, 200. Vol.17, Iss.25; pg. 53,

pgs 1-3).

**Re claim 1.** Paper Adj discloses a cash letter adjustments between a plurality of authorized financial institutions, including a sender institution (i.e., sender, see paper Adj pg 1), a receiver institution (i.e., receiver, see pg 1) and a central exchange center, adjustment data including sender institution information, receiver institution information,

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adjustment amount information, and data validation information, said data relating to cash letter adjustments between the sender institution and the receiver institution (see pg 1 of paper Adj). Paper Adj does not explicitly disclose means for entry of adjustment data into said system; processor means for processing said adjustment data at said central exchange center to make an electronic settlement determination, said processing means including means for validation of said data, said processing means including sorting means for sorting said data by sender institution and receiver institution, and notification means for notifying said sender institution and said receiver institution, which are involve in the cash letter adjustments, of adjustment data including at least settlement information, after successful validation by said processing means. However, Electronic Adj discloses means for entry of adjustment data into said system (i.e., Fedline has performatted date entry screens similar to standard request forms..., see Electronic Adj, 1<sup>st</sup> paragraph, pg 2); processor means for processing said adjustment data at said central exchange center to make an electronic settlement determination (i.e., verifies the data can be processed, see Electronic Adj, 2<sup>nd</sup> paragraph, pg 2), said processing means including means for validation of said data said processing means including sorting means for sorting said data by sender institution and receiver institution (since sorting means is part of processing, and since Electronic Adj processes adjustment electronically, it's inherent that Electronic Adj sorts the data accordingly) and notification means for notifying said sender institution and said receiver institution, which are involve in the cash letter adjustments, of adjustment data including at least settlement information, after successful validation by said

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processing means (i.e., When using FedLine to file check adjustments, you avoid the risk of mail delays and lost deliveries. We receive your adjustment request within seconds after you create and send it. The request is entered immediately into our adjustment process, then you fax your supporting documentation. You also get an acknowledgment indicating the Fed received your case, and we send a notification when it is resolved, see Electronic Adj, the paragraph under Fedline is Faster and Free!, pg 2). Neither Paper Adj nor Electronic Adj discloses the Electronic Exchange system. However, Network World discloses an electronic exchange system (i.e., The clearinghouse, see the abstract). Thus it would have been obvious to one of ordinary skill in the art to implement the manual adjustment process of Paper Adj in the combination of electronic adjustment system of Electronic Adj and the electronic exchange system of Network World to guarantee delivery and to speed up the adjustment process.

**Re Claim 2:** Paper Adj further discloses determining net adjustments between said sender institution and said receiver institution except that this calculation is done manually (i.e., Amount (AMT), see paper Adj pg 1). Paper Adj does not disclose processor means includes calculation means for determining net adjustments between said sender institution and said receiver institution. Network World discloses an electronic exchange system of claim 1 with means includes calculation means for determining net adjustments between said sender institution and said receiver institution (i.e., calculate the final settlement of the day, see pg 2, 8<sup>th</sup> paragraph). Therefore, it would have been obvious to one of ordinary skill in the art to implement the manual

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calculation done in Paper Adj in Electronic Adj and Network World to speed up the adjustment process.

**Re claim 3.** Paper Adj does not disclose the system of claim 2 wherein said notification means includes notifying said central exchange center includes an account system for adjustment of accounts of said sender institution and said receiver institution by said net adjustment amount. Electronic Adj makes this disclosure (i.e., you can also use Fedline to receive adjustments the fed makes to your account, second to last paragraph, pg 3). Further, Network World discloses that there will be at least two settlements of swapped cash-- letter adjustments each business day, with the final adjustment report transmitted to the Federal Reserve Bank in New York via the existing FedLine network. There, the cash sums will be immediately posted to the Federal Reserve accounts of the participants, see 10<sup>th</sup> paragraph pg 2. Therefore, it would have been obvious to one of ordinary skill in the art to implement the manual account system of Paper Adj in the Electronic system of Electronic Adj and Network World to speed up the adjustment process.

**Re Claim 4:** Paper Adj discloses adjustment data includes one or more adjustment transactions selected from the group: enclosed items not listed, listed items not enclosed, encoding errors, misread errors, documentation errors (i.e., listing errors, pg 1), and requests for information (see paper adj, pg 1). Insofar as the claim recites "includes one or more", it is immaterial whether or not the other elements are also disclosed. Paper Adj does not expressly show automating the adjustment transactions selected group above. However, Network World discloses an electronic exchange

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system. Therefore, it would have been obvious to one of ordinary skill in the art to implement Paper Adj's adjustment transactions selected group in the combination of Electronic Adj and Network World to speed up the adjustment process.

**Re Claim 5:** Paper Adj further disclose that said data includes information selected from the group: the date of submission, sender routing number (i.e., ABA # (FCL), pg 1), sender institution name, and receiver institution name (see paper Adj, pg 1). Paper Adj does not expressly show automating the information selected group above. However, Network World discloses an electronic exchange system. Therefore, it would have been obvious to one of ordinary skill in the art to implement Paper Adj's adjustment transactions selected group in the combination of Electronic Adj and Network World to speed up the adjustment process.

**Re Claim 6:** Paper Adj further discloses that said validation information includes a series of business rules (i.e., Do not submit errors of \$15 or less, pg 1) and information requirements (i.e., research information, pg 1)(see Paper Adj, pg 1), except that this validation information are in paper form. However, Network World discloses an electronic exchange system. Therefore, it would have been obvious to one of ordinary skill in the art to implement Paper Adj's adjustment transactions selected group in combination of Electronic Adj and Network World to speed up the adjustment process.

**Re Claim 7:** Paper Adj discloses that said business rules include amount limits on adjustment (i.e., do not submit errors of \$15 or less) for different member institutions (see Paper Adj, pg 1), except these rules are on paper. However, Network World discloses an electronic exchange system. Therefore, it would have been obvious to one



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of ordinary skill in the art to implement Paper Adj's adjustment transactions selected group in combination of Electronic Adj and Network World to speed up the adjustment process.

**Re Claim 8:** Paper Adj further discloses that said listed items not enclosed adjustment includes at least two or more of the following data: total amount of adjustment; cash letter creation date; cash letter type; cash letter total dollar value listed; missing item adjustment; missing bundle adjustment; tape listing type; tape total dollar (see Paper Adj, pg 1), except that listed items not enclosed adjustment data are on paper. Insofar as the claim recites "includes at least two or more ", it is immaterial whether or not the other elements are also disclosed. However, Network World discloses an electronic exchange system. Therefore, it would have been obvious to one of ordinary skill in the art to implement Paper Adj's adjustment transactions selected group in combination of Electronic Adj and Network World to speed up the adjustment process.

**Re Claim 9:** Paper Adj further discloses that said listed items not enclosed includes itemization of the dollar amount of the specific item or bundle (i.e., tape total (TT), pg 1); the dollar amount of the item before the subject item; the dollar amount after the subject item; and the sequence/trace number (i.e., sequence (SEQ), pg 1) that was applied to the item in the cash letter preparation process (see Paper Adj, pg 1), except that these items are on paper. However, Network World discloses an electronic exchange system. One of ordinary skill in the art would have obviously know that "listed items not enclosed" mentioned above can be implemented in the combination of Electronic Adj and Network World to speed up the adjustment process.

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**Re Claim 10:** Paper Adj further discloses that said data include : "item before", "item after" and "bundle/tape" total field of the transaction section (see Paper Adj, pg 1).

Paper Adj does not explicitly disclose that the combined total of all "item before" and "item after" cannot exceed the amount entered in the "bundle/tape" total field of the transaction section. However, since "item before" is the item preceding reported item on detail listing and "item after" is the item following reported item on detail listing.

Obviously, if the adjustment is done correctly the combined total amount of "item before" and "item after" cannot exceed the bundle total amount. However, if it does exceed, the adjustment has to be re-adjusted. However, Network World discloses an electronic exchange system. One of ordinary skill in the art would have obviously know that "listed items not enclosed" mentioned above can be implemented in the combination of Electronic Adj and Network World to speed up the adjustment process.

**Re Claim 11:** Paper Adj further discloses that said adjustment data includes one or more adjustment transactions selected from the group: empty carrier; error in addition; misdirected return; non-negotiable item; "not our item"; "photo in lieu of original"; "photo: original paid"; free item; and reversal (see Paper Adj, pg 1), except that these adjustment transactions field tags are on paper. Insofar as the claim recites "includes one or more ", it is immaterial whether or not the other elements are also disclosed. One of ordinary skill in the art would have obviously know that said adjustment data described above can be implemented in the

combination of Electronic Adj and Network World to speed up the adjustment process.

**Re claim 12.** Paper Adj does not disclose the system of claim 1, wherein said notification means also is for notifying a Federal Reserve Bank of at least the settlement information. However, Network World makes this disclosure (i.e., there will be at least two settlements of swapped cash-- letter adjustments each business day, with the final adjustment report transmitted to the Federal Reserve Bank in New York via the existing FedLine network. there, the cash sums will be immediately posted to the Federal Reserve accounts of the participants, see 10<sup>th</sup> paragraph pg 2. Thus it would have been obvious to one of ordinary skill in the art to implement the manual adjustment process of Paper Adj in the electronic adjustment system of Electronic Adj and Network World to guarantee delivery and to speed up the adjustment process.

**Re claims 13 and 19.** Claims 13 and 19 recite similar limitations to claim 1, and thus rejected using the same art and rationale in the rejection of claim.

**Re claim 14.** Paper Adj does not explicitly disclose the system of claim 13, wherein the central exchange also notifies a Federal Reserve Bank of the settlement information. Network World makes this disclosure (i.e., there will be at least two settlements of swapped cash-- letter adjustments each business day, with the final adjustment report transmitted to the Federal Reserve Bank in New York via the existing FedLine network. there, the cash sums will be immediately posted to the Federal Reserve accounts of the participants, see 10<sup>th</sup> paragraph pg 2). Thus it would have been obvious to one of ordinary skill in the art to implement the manual adjustment process of Paper Adj in the

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electronic adjustment system of Electronic Adj and Network World to guarantee delivery and to speed up the adjustment process.

**Re claim 15.** Paper Adj does not disclose the system of claim 13, wherein the central exchange determines net adjustments between the first institution and the second institution. However, Network World makes this disclosure(i.e., calculate the final settlement of the day, see pg 2, 8<sup>th</sup> paragraph). Thus it would have been obvious to one of ordinary skill in the art to implement the manual adjustment process of Paper Adj in the electronic adjustment system of Electronic Adj and Network World to guarantee delivery and to speed up the adjustment process.

**Re claim 16.** Paper Adj does not disclose the system of claim 13, wherein the central exchange includes an account system for adjustment of accounts of the first institution and the second institution by a net adjustment amount. However, Network World makes this disclosure (i.e., settle accounts, see abstract pg 1). Thus it would have been obvious to one of ordinary skill in the art to implement the manual adjustment process of Paper Adj in the electronic adjustment system of Electronic Adj and Network World to guarantee delivery and to speed up the adjustment process.

**Re claim 17.** Claim 17 recites similar limitations to 4, and thus rejected using the same art rationale in the rejection of claim 4.

**Re claim 18.** Claim 18 recites similar limitations to 5, and thus rejected using the same art rationale in the rejection of claim 5.

**Re Claim 20.** Claim 20 recites similar limitations to 14, and thus rejected using the same art rationale in the rejection of claim 14.

### ***Response to Arguments***

Applicant's arguments filed 01/12/06 have been fully considered but they are not persuasive.

The applicant argues in substance that the office action does not identify any reasons why the examiner believes that Claims 1-20, which recite a "system", are directed to a computer program. The examiner believes this because the applicant makes this disclosure in page 7 of his specification (i.e., the system of the present invention can be operated by programs resident on the server side or operated by application programs that are executed by a CPU, see pg 7 lines 5-10). The examiner wants to remind the applicant that the recitation of "system" in the preamble wherein the system appear to be directed to a computer program, the proposed software/computer program has to be recorded on computer-readable medium and/or capable of execution by a computer to make the claimed subject matter statutory. Thus, the examiner maintains the 35 U.S.C. 101 rejection because the claimed invention is directed to non-statutory subject matter.

### ***Conclusion***

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within

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TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to OJO O. OYEBISI whose telephone number is (571) 272-8298. The examiner can normally be reached on 8:30A.M-5:30P.M.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, HYUNG S. SOUGH can be reached on (571)272-6799. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

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